

Weather Forecast

Cloudy and milder with freezing rain tonight. Cloudy tonight, lowest about 28. Tomorrow, milder and rainy. (Full report on page A-2.)

Temperatures Today:

Midnight -23 6 a.m. -18 Noon -25
2 a.m. -21 8 a.m. -19 1 p.m. -28
4 a.m. -19 10 a.m. -26 2 p.m. -38

Late New York Markets, Page A-17.

The Evening Star

WITH SUNDAY MORNING EDITION

Guide for Readers

Page	Page
After Dark - B-9	Lost and Found - A-3
Amusements - B-13	Obituary - A-10
Comics - B-14-15	Radio - B-15
Editorial - A-8	Society - C-10
Editorial Articles - A-9	Sports - A-14-15
Finance - A-17	Woman's Page - A-12

An Associated Press Newspaper

City Home Delivery, Daily and Sunday, 5 CENTS
\$1.20 a Month, When 5 Sundays, \$1.30

96th Year. No. 20. Phone NA. 5000.

WASHINGTON, D. C., TUESDAY, JANUARY 20, 1948—THIRTY-FOUR PAGES. ***

Russia Demands Dissolution of Bi-Zonal Setup

Arrangement Violates Potsdam Agreement, Sokolovsky Asserts

By the Associated Press
BERLIN, Jan. 20.—Russia formally demanded today the dissolution of the American-British agreement for joint economic administration of the zone of Germany, asserting the arrangement violated the Potsdam agreement.

Marshal Vassily Sokolovsky voiced the Soviet view before the Allied Control Council. He did not, however, raise a proposal that the United States and Great Britain give up their occupation of Berlin because of the bi-zonal merger. Soviet influenced newspapers of Berlin have been making the suggestion for weeks.

Sokolovsky Follows Clay.
The marshal spoke after Gen. Lucius D. Clay, American military governor, told of measures taken by the two Western Allies to better economic conditions in Western Germany, beset anew today by hunger strike protests and threats of strikes. Gen. Clay left immediately after the meeting for Washington to confer with Army and State Department officials on Marshall Plan funds for Germany.

The council meeting, the first since the breakup of the session of the four-power Foreign Ministers Council in London, ended at 6:10 p.m. (12:10 p.m. EST). The meeting was closed to reporters.

Gen. Clay and his political adviser, Robert Murphy, represented the United States.

A high American official said the Russians charged the American-British bi-zonal merger violated laws of the Allied Control Council as well as the Potsdam agreement. This, in effect, was a rejection of the standing offer to Russia to join her zone to the territory.

Currency Reform Asked.
Gen. Clay presented a report on the reorganization of the bi-zonal area and proposed anew a four-power revision of German currency, the official said. The subject was not discussed further.

The meeting was described as "rather quiet."

Marshal Sokolovsky returned recently from Moscow.

The Council has not met since the formation of a new British-American bi-zonal setup in Western Germany.

Views on Currency Expected.
Marshal Sokolovsky had been expected to state the Russian position on British-American proposals for currency reform proposed by Gen. Clay.

The Russians have insisted on printing half of the new money inside the Soviet zone. The British and Americans have demanded that the new money be printed in Berlin under four-power supervision.

The rejection of the currency proposal probably would mean the appearance of two different types of money in Germany—one for the west, another for the east—with the consequent disruptive effect.

M'Arthur to Be Entered In Arkansas Primary

By the Associated Press
LITTLE ROCK, Jan. 20.—Gen. Douglas MacArthur's name will be entered in a Republican presidential preferential primary to be conducted in Arkansas soon, it was announced here today.

John R. Robinson of Chicago told the Arkansas Republican State Committee that arrangements had been made to enter Gen. MacArthur's name in the primary which will be held on the date for the primary.

The State committee met today to fix the date for the primary—the first state-wide Republican primary ever conducted in this staunchly Democratic State.

Mr. Robinson said it was planned to enter the general's name in only two primaries—Wisconsin and Arkansas.

Gen. MacArthur is a native of Little Rock.

In Chicago yesterday Gen. Robert E. Wood, board chairman of Sears Roebuck & Co., and a long-time friend of Gen. MacArthur, urged that the general's name be kept out of the Illinois Republican primary April 13.

Warren Wright, Chicago banker and former State treasurer, is circulating MacArthur's name for President in petitions which also bear his own name as candidate for the Republican gubernatorial nomination.

Gen. Wood emphasized that he does not have the authority to speak for Gen. MacArthur, but said he was convinced Gen. MacArthur "is not out trying to get the nomination" and would be "embarrassed" if his name were entered in the Illinois contest.

What the Russians Are Saying of Us

The Moscow Radio, broadcasting in Polish to Europe, said:

"American businessmen often use the expression 'To sell a gold-plated brick,' which means to a simpler, rotten goods in gold-plated bricks and get a good price for them. Marshall's gold-plated brick promises considerable profits for American monopolies."

"Not only does it assure the sale of rotten goods, but it also subsidizes the economies of the 'happy' countries to Wall Street interests, because the aid can be stopped any time the United States Government decides that any of the countries is not humble enough."

Pauley Asks Senators to Prove Inside Data Use or Clear Him

Says His Record of Commodity Dealings Is 'Story of Profit Honestly Made'

Edwin W. Pauley demanded today that Senate investigators either prove he used inside Government information for personal gain or acknowledge publicly that he made money in commodities through sheer business ability.

He insisted that the full record of his admittedly profitable market dealings "is a story of profit honestly made, and honestly made, legally, ethically and in the American tradition."

Mr. Pauley, a special assistant to Secretary of the Army Royal, declared, "I have never at any time in my life used any Government position, or any inside information for my personal financial gain."

He made the assertions in a letter to Chairman Bridges of the Senate Appropriations Committee.

The letter and the full records of Mr. Pauley's commodity transactions for the last three years were made public by Senator Ferguson, Republican of Michigan, chairman of a subcommittee which Senator

Bridges named to inquire into speculation by Government employees.

Mr. Pauley, a California oil man and former Democratic National Committee treasurer, has announced that he intends to wind up his temporary job with the Army Department sometime this month and to resign as reparations adviser to Secretary of State Marshall.

He has acknowledged that he made a profit of \$232,703 in the commodity markets in the last three years, but has said he liquidated most of his holdings since taking the Army post last September 3.

He told Senator Bridges in the 2,000-word letter, dated January 3, "If your committee finds that I have used 'inside information' it will clearly have the duty of seeing to it that I am exposed. Since no such finding is possible—because no such impropriety ever occurred—I trust that the committee will like what I have to say."

Mr. Pauley has already testified before the investigating group once. (See PAULEY, Page A-4.)

Cutting Marshall Plan Food Protest Strikes Would Cost U.S. More Spread in U. S. and In End, Dulles Says

20 G. O. P. Senators Seek Agreement on Aid Program Stand

By J. A. O'Leary
John Foster Dulles, a leading Republican authority on foreign affairs, today backed up the administration's claim that it will cost this country more later if Congress passes an inadequate Marshall Plan now.

"I am confident that if, in the name of economy, the European Recovery Program is abandoned, or made inadequate, that will involve our Nation in future costs far greater than any present savings," he told the Senate Foreign Relations Committee.

Mr. Dulles, a delegate to the United Nations, said Russian leaders believe free institutions in Europe are tottering, "and that if they are given a few well-timed pushes they will fall." Then he added:

"The Communist Party stands ready, able and willing to deliver those blows."

Republicans Seek Agreement.
While Mr. Dulles, who was Gov. Thomas E. Dewey's foreign affairs adviser in the last presidential campaign, was testifying, a group of 20 Republican Senators representing varying shades of thought on foreign aid was trying to reach agreement on four points in the program.

Senator Wherry, Republican of Nebraska, a member of this informal bloc, said his own mind is still open on the scope of the aid program. He listed the four questions he and his associates are considering as follows:

1. Who shall administer the program in this country and abroad?
2. What conditions, if any, should surround American aid?
3. Whether assistance shall be extended through agencies of foreign governments or through individuals?
4. What amount of aid shall be made available?

Could Make Weight Felt.
"It seems to me," Senator Wherry said, "that those four questions have to be answered before any one can vote intelligently on the Marshall Plan. My hope is that this group of Senators can come to general agreement on these points."

There seemed little doubt that if the 20 could come up with some specific amendments to the Marshall Plan, they would be able to make their weight felt. But on the basis of individual views expressed by some of the group, it appears doubtful that they will marshal full strength on all issues.

Mr. Dulles, who has been studying world affairs since the close of World War I, described the Marshall Plan as a "step toward peace" and said this country "cannot long survive the economic tide of self-indulgent privilege, surrounded by masses human misery."

Mr. Dulles also urged "some sort of a customs and monetary union between all, or groups of the Western Hemisphere."

(See FOREIGN AID, Page A-5.)

Clark Asks U. S. to Aid Workers In Paying Loyalty Defense Cost

By the Associated Press
ATLANTIC CITY, Jan. 20.—Attorney General Clark today proposed that the Government help defray expense incurred by a Federal employee in answering an accusation of disloyalty.

Discussing a check now being made under a presidential directive to the loyalty of about 2,000,000 Government workers, Mr. Clark said in addressing a convention of the National-American Wholesale Grocers' Association:

"You may rest assured that the accused employee will be given every opportunity to refute charges of disloyalty. There is no more danger of harming an innocent person in this procedure than there is in any court of law, because the accused employee's civil liberties are safeguarded in every respect."

"I am recommending that the Government pay the expense incurred by the accused employee in

G. O. P. Decision On Tax-Cut Bill Expected Today

House Steering Group Is Likely to Trim Knutson Measure

By the Associated Press
Republican tax-cutting plans reached the decision stage today.

Speaker Martin called the House Republican Steering Committee to an afternoon session to shape party policy on the red-hot domestic issue.

There was every advance indication the committee would:

1. Ignore the advice of Bernard M. Baruch to put off tax cutting for two years.
2. Reject flatly President Truman's request for a 440 "cost-of-living" tax cut for every one with an offsetting revival of the wartime excess profits levy on corporations.
3. Throw its weight instead behind a trimmed-down version of the Knutson bill.

Knutson Fights for Bill.
Chairman Knutson of the Ways and Means Committee told newsmen he would carry into the meeting a demand that his \$5,600,000,000 bill be adopted as the GOP tax-slashing goal for 1947.

But high Republicans who would not allow their names to be attached to the Knutson plan would be trimmed down—possibly to an official cut of \$4,000,000,000—with chief emphasis on lower rates for taxpayers in the low brackets.

There was general agreement among Republican leaders that present exemptions should be boosted from \$500 to \$600 and that the principle of community property taxation—allowing husbands and wives to split the family income for purposes of tax—be applied uniformly throughout the Nation.

But there was some objection to the Knutson proposal for percentage cuts ranging from 30 per cent at the bottom to 10.5 for those with high bracketing incomes. The best guess was that these percentages would be trimmed all along the scale.

GOP Hopes to Override.
Republican spokesmen have adopted the view that raising of the personal exemption along with the largest number of taxpayers and voters will soften objections to some reduction for high bracket individuals.

Any bill faintly similar to the Knutson measure is expected to draw a veto, but Republicans are hopeful they can attract enough Democratic support to override a presidential objection.

Mr. Truman, insisting the Government's total revenue must not be reduced, has called for a new cut of \$3,000,000,000 to offset the \$3,000,000,000 reduction he proposed in individual income taxes.

Even the most optimistic Democrats have conceded privately that there is no chance for the President's plan, although they plan to make a fight for it when the GOP bill reaches the House floor, perhaps late this month.

Slogans Are Plastered On British Amoy Office

By the Associated Press
SHANGHAI, Jan. 20.—Demonstrators trying to keep China's anti-foreign post boiling plastered anti-British placards on the gates of the British consulate general in Amoy last night.

The slogans protested "British atrocities" and demanded the retrocession of Hong Kong and Kowloon. Chinese newspapers in Amoy carried sharp anti-British editorials accusing the Hong Kong government of ordering the eviction of Chinese quarters in Kowloon without warning.

Actually, the Hong Kong government gave the squatters two weeks notice and provided an alternate site for the dwellings.

The Shanghai newspaper, Ta Kung Pao reported from Hong Kong last night, just prior to the midnight deadline for the evacuation of all squatters, that women and children were leaving Kowloon, but that all able-bodied young men were staying inside the walled city to "guard the report."

If the report is true, it may forebode renewed violence when Hong Kong police start enforcing the eviction order.

Trainmen's Chief Visits President; In Accord Now

A. F. Whitney, president of the Brotherhood of Railroad Trainmen, saw President Truman today for the first time since he broke with the Chief Executive in the spring of 1946 as an outgrowth of the nationwide railway strike.

Mr. Whitney once called Mr. Truman a "political accident" and threatened to spend \$30,000,000 to defeat Mr. Truman after the President announced that troops would be called out to break the strike.

But today he called at the White House with Gael Sullivan, executive director of the Democratic National Committee.

He said he would hold a press conference in Mr. Sullivan's office at 3 p.m. today in which Senator McGrath of Rhode Island, Democratic national chairman, would take part, and that full details of his conversation with the President would be given then.

"Did you smoke the peace pipe?" he was asked.

Whitney responded: "We're in full accord and we're going forward and support the Democrats."

He parried other questions and laughed away reporters' comment that things had changed in two years.



15-20% Less Beer Seen in Plea Of Anderson to Cut Grain Use

Secretary Warns Brewers of Legislation If Voluntary Agreement Is Not Reached

By Malcolm Lamborne, Jr.
Secretary of Agriculture told the Nation's brewers today asked the Nation's brewers to cut their total grain usage by 20 per cent for the duration of the grain shortage—a proposal which a spokesman said would mean a cut in beer production of from 15 to 20 per cent.

While stressing that his proposal was "only a suggestion," Mr. Anderson warned that if the industry failed to reach a voluntary agreement for grain saving, then "I am prepared to ask Congress to give me legislation as I did with the distilling industry."

A committee of brewers created to draft a proposed agreement was asked to report later today.

At the outset of the meeting, the Secretary called for a 20 per cent reduction in the quarterly production of beer as compared with the same period last year. He later modified this to a 20 per cent cut in grain usage.

Harris Pearlstein, president of Pabst Brewing Co., and spokesman for the United States Brewers Foundation, which he said represents more than 90 per cent of the industry, made the estimate of a 15 to 20 per cent cut in beer output and warned of possible shortages and higher prices.

On the other hand, William O'Shea, secretary of the Small Brewers Committee, claimed the Anderson proposal would mean no reduction in beer output.

Mr. Anderson seeks a new agreement on grain saving because the (See GRAIN, Page A-4.)

5 New Arrests Made In Picket Line Threats At GSI Cafeterias

One Freed on Charge Of Wielding Knife in Argument With Striker

Arrest of five men today on complaints that they threatened either union members or non-strikers brought to 13 the number taken into custody since yesterday morning in connection with the strike affecting Government Services, Inc., cafeterias.

A charge of carrying a deadly weapon, a knife, was dismissed in Municipal Court in the case of a man arrested this morning as he was going to work in the cafeteria of a building occupied by Federal Bureau of Investigation units at Third and C streets S.W. He was found guilty, however, on a charge of disorderly conduct, but released on his personal bond.

Another nonstriker arrested at the same place today was awaiting arraignment on a charge of carrying a revolver. A picket had complained he was threatened by both men.

Three Arrested on Warrant.
Three strikers were brought into Municipal Court and pleaded not guilty to threat charges in a warrant on which they were arrested yesterday. They were held under \$300 bond each for trial February 12.

The alleged threats occurred January 8 at a bus terminal on Eleventh street near Pennsylvania avenue N.W., the warrant charges.

Willie J. Thompson, 24, of the 1100 (See GSI, Page A-4.)

Woman, 70, Suffocated in Fire After Repulsing Rescue Attempt

Miss Lillie Scott, about 70, a retired Government employee, died today, apparently of suffocation, in a fire at 507 Quincy street N.W. after resisting attempts to rescue her.

The blaze, according to firemen, started in the basement furnace room of the two-story, semidetached frame home. The flames came up the stairwell, spread through the first-floor rooms and had licked up the steps to the second floor when the fire was brought under control.

In another fire, Mrs. Sarah Rekin, 55, suffered severe burns today when flames swept her second-floor bedroom and an adjoining kitchen at 25 I street N.E. Firemen believed she had tried to smother the flames.

She was taken to the Marine Hospital, 42, colored, housekeeper there for 15 years, was singed about the head during a futile attempt to rescue Miss Scott. He told police he got Miss Scott into the second-

Murphy Takes Witness Stand, Defends Record

Trial Board Drops Charge of Disorderly Conduct at Inn

By Newbold Noyes, Jr.
Fire Chief Clement Murphy began testifying this afternoon in his own behalf against charges that he is unfit to head his department, and immediately began a recital of his record and achievements as a fireman.

Just before Chief Murphy was sworn in as the first defense witness in the eight-day-old "demoralization" hearing, the three-man civilian Trial Board announced an unanimous decision granting a defense motion to dismiss 1 of the 10 counts of Special Assistant Corporation Counsel Daniel B. Maher's indictment.

The specification which the panel decided to consider no further, alleged that the fire chief was disorderly on September 13, 1946, at the Joy Inn, 609 H street N.W. Board chairman Austin F. Canfield said no evidence had been produced to support the charge.

Chief Murphy's voice was low and strained as he took the oath and settled himself in the witness chair before the three men who are to decide whether he should continue as head of the Fire Department. Apparently nervous at first, he later relaxed to the point where, under examination, he addressed his attorney, Martin F. O'Donoghue, as "Marty."

Before the trial board recessed for lunch at 12:30 p.m., Chief Murphy specifically denied the first charge on the prosecution indictment—that he used rough language to Battalion Chief (then Capt.) Gilbert A. Cole at Engine House No. 17, July 15, 1946. He said he was not in the engine house that day, and did not see Capt. Cole.

Chief O'Donoghue announced he intended to present Chief Murphy as his first witness in connection with each of the charges of the indictment. This means the chief will return to the stand at least eight times before the trial is finished.

Mr. Maher, the prosecutor, objected to Chief Murphy's being allowed to dwell on his record in the department, prior to his appointment as chief on March 1, 1946. He said the indictment charged the chief with unfitness and inefficiency in nine particular respects, and that Chief Murphy's record has nothing to do with the case.

Gives Date and Addresses.
The board, however, allowed the witness to testify to the fact that, in his rise to the position of chief during 26 years' service in the department, he never stood lower than second in competitive civil service examinations on which the promotions were based.

Describing his movements in the department from one post to another, the fire chief gave dates and addresses in rapid order without referring to notes.

He told of being assigned to the Fire Department drill school in 1922, when he was a captain and, in 1923, when he was a lieutenant, of completing a drill manual for the men to replace a "miscellaneous" collection of orders and instructions on which the training previously had been based.

Mr. Maher again objected. "I don't think," he said, "that in this board a history of Chief Murphy's problems before he was appointed chief," the prosecutor said.

Mr. O'Donoghue said he was attempting to lay a foundation for a defense of Chief Murphy's "rotation system" of personnel transfers. A charge that the establishment of this system has demoralized the department has been described by Chairman Canfield as the "crux" of the case against the chief.

Plans 'Tour' of Drill Schools.
The defense attorney said he intended to show the transfers did not interfere with Fire Department operations, since the men already were trained in all phases of those operations at the drill school. He said he intended to take the board on a "Cook's tour" of the drill school and the Fire Department to prove his point.

Mr. O'Donoghue, told reporters, when the prosecution rested late yesterday, that he thought it would take about three days to tell the chief's side of the story. He will present between 20 and 30 witnesses, he added.

Mr. Maher had no sooner announced his case was closed yesterday than Mr. O'Donoghue was on his feet attacking the evidence presented in support of the Joy Inn charge. He argued that Mr. Maher had to declare himself "surrendered" by the testimony of three witnesses appearing in support of the charge, and had been forced then to "impeach" his own witnesses.

Mr. Maher admitted the testimony of George May, proprietor of the Joy Inn, and of other witnesses (See MURPHY, Page A-5.)

Woman Burns to Death In Overturned Truck

By the Associated Press
BEL AIR, Md., Jan. 20.—A woman burned to death when she was trapped in an overturned and burning truck on Route 40 near Belcamp last night.

Another occupant, Ray Bradley, 30, of Pasadena, Md., was pulled from the flaming wreckage with severe burns.

The woman, tentatively identified as Mrs. Bradley's 53-year-old mother, was caught in the vehicle's cab until Abington and Bel Air firemen were able to extinguish the blaze and cut away sections of the truck body.

She was taken to the Belcamp hospital, where she died.

He could not account for her refusal to accompany him, other than to say the smoke and heat probably drove her back. He said he just had time then to make his own escape.

Miss Scott was found dead in a second-floor bathroom.

Mrs. Harry E. Buchanan, wife of the owner of the house, was there when the fire broke out. She walked out without injury.

Mrs. Buchanan said she had heard Mr. Ingram trying to persuade Miss Scott to accompany him. She said Miss Scott had roomed with her for more than 20 years and had worked for the Maritime Commission before her retirement.

Mr. Buchanan, a Commerce Department employee, had just left the

Crowding by Skaters May Force Closing of Reflecting Pool Again

(Weather Story on Page A-2.)
The reflecting pool was open to skaters this morning, but park police warned that it may have to be closed if too many ice enthusiasts show up. That's what happened yesterday.

Meanwhile, skating will be permitted again today, police said, on the C & O Canal from Stop 24, this side of Glen Echo. Other spots still open include the Kenilworth lily pond, the reflecting pool at the Langdon wading pool, N.E. Mills avenue and Franklin street N.E., and a pool at Episcopal High School, in Alexandria.